

STATE OF ARIZONA

Department of Revenue



Janet Napolitano
Governor

Gale Garrriott
Director

August 21, 2008

Attached please find copies of 5 proposed documents: an Arizona Transaction Privilege Tax Procedure providing guidance regarding the taxability of Arizona sales of motor vehicles to nonresidents and Native Americans, and explaining the documentation necessary for sales that qualify for a statutory deduction and 4 forms to be used in documenting sales of motor vehicles to nonresidents and Native Americans. In an ongoing effort to interact with and inform the public regarding issues relating to taxation, the Department would appreciate your written comments on these drafts.

Please be advised that the deadline for comments is **Thursday, September 18, 2008**. Any request for an extension of time for review must also be made by this date. This office will review all comments that are received through this date and make any appropriate revisions before the Department issues the final documents.

Please address your comments to:

Christie Comanita, Manager
Arizona Department of Revenue
Tax Research & Analysis
1600 West Monroe, Rm. 810
Phoenix, AZ 85007-2650
Fax: (602) 716-7995
E-mail: ccomanita@azdor.gov

Thank you for your continuing efforts to establish an ongoing line of communication with the Arizona Department of Revenue.

Sincerely,

/s/Christie Comanita
Manager
Tax Research & Analysis

Attachments

1
2
3 **ARIZONA TRANSACTION PRIVILEGE TAX PROCEDURE**
4 **TPP 08-XX**

5 Procedure for Documenting Nontaxable Sales of Motor Vehicles to Nonresidents
6 and Native Americans

7 **ISSUE:**

8 This procedure provides guidance regarding the taxability of Arizona sales of motor
9 vehicles to nonresidents and Native Americans, and explains the documentation
10 necessary for sales that qualify for a statutory deduction.
11

12 **APPLICABLE AUTHORITY:**

13 Arizona Revised Statutes (“A.R.S.”) § 42-5061 *Retail classification*, imposes transaction
14 privilege tax on the business of selling tangible personal property at retail. The tax base
15 for the retail classification is the gross proceeds of sales or gross income derived from
16 the business. Income derived from sales of tangible personal property is subject to the
17 transaction privilege tax under the retail classification unless a statutory deduction from
18 the tax base is applicable. Of the following five deductions under the retail
19 classification, four may apply to income derived from sales of motor vehicles to
20 nonresidents of Arizona, and a separate deduction may apply to income derived from
21 the sale of a motor vehicle to a Native American:
22

23 A.R.S. § 42-5061(A)(14) provides a deduction from the tax base of a retailer for
24 income derived from “[s]ales to nonresidents of this state for use outside this state if
25 the vendor ships or delivers the tangible personal property out of this state.”
26

27 A.R.S. § 42-5061(A)(28)(a) provides a deduction for income derived from the sale of
28 a motor vehicle to “[a] nonresident of this state if the purchaser’s state of residence
29 does not allow a corresponding use tax exemption to the tax imposed by article 1 of
30 this chapter and if the nonresident has secured a special ninety day nonresident
31 registration permit for the vehicle as prescribed by §§ 28-2154 and 28-2154.01.”
32

33 A.R.S. § 42-5061(A)(28)(b) provides a deduction for income derived from the sale of
34 a motor vehicle to “[a]n enrolled member of an Indian tribe who resides on the Indian
35 reservation established for that tribe.”
36

37 A.R.S. § 42-5061(A)(45) provides a deduction for income derived from “[s]ales of
38 motor vehicles at auction to nonresidents of this state for use outside this state if the
39 vehicles are shipped or delivered out of this state, regardless of where title to the
40 motor vehicle passes or its free on board point.”
41

42 A.R.S. § 42-5061(U) provides that for sales of motor vehicles to nonresidents from
43 certain states, a deduction from the tax base is allowed so that the amount of state

ARIZONA TRANSACTION PRIVILEGE TAX PROCEDURE

TPP 08-XX

Page 2

44 transaction privilege tax that applies to the sale is the same as the state excise tax
45 that would apply in the purchaser's state, as follows:

46
47 In computing the tax base for the sale of a motor vehicle to a nonresident of this
48 state, if the purchaser's state of residence allows a corresponding use tax
49 exemption to the tax imposed by article 1 of this chapter and the rate of the tax
50 in the purchaser's state of residence is lower than the rate prescribed in article 1
51 of this chapter or if the purchaser's state of residence does not impose an
52 excise tax, and the nonresident has secured a special ninety day nonresident
53 registration permit for the vehicle as prescribed by sections 28-2154 and
54 28-2154.01, there shall be deducted from the tax base a portion of the gross
55 proceeds or gross income from the sale so that the amount of transaction
56 privilege tax that is paid in this state is equal to the excise tax that is imposed by
57 the purchaser's state of residence on the nonexempt sale or use of the motor
58 vehicle.

59
60 A.R.S. § 42-5009 *Certificates establishing deductions; liability for making false*
61 *certificate*, addresses certificates used to document a seller's entitlement to a statutory
62 deduction from tax, and penalties applicable for false certificates. A.R.S. § 42-5009(I)
63 authorizes the Arizona Department of Revenue ("Department") to prescribe certificates
64 that may establish the qualifying criteria for the transaction privilege tax exemptions
65 applicable to sales of motor vehicles to nonresidents provided by A.R.S. § 42-5061,
66 paragraphs (A)(14); (A)(28)(a); (A)(45); and subsection (U). To establish entitlement to
67 these exemptions, a motor vehicle seller shall retain:

- 68 1) A valid certificate, as prescribed by the Department, that is completed by the
69 purchaser and obtained prior to the issuance of the nonresident registration
70 permit authorized by A.R.S. § 28-2154;
- 71 2) A copy of the special ninety-day nonresident registration permit issued pursuant
72 to A.R.S. § 28-2154;
- 73 3) A legible copy of a current valid driver's license issued to the purchaser by
74 another state or foreign country that indicates an address outside of Arizona.
75 (For the sale of a motor vehicle to a nonresident entity, the entity's representative
76 must have a valid driver's license issued by the same jurisdiction as that in which
77 the entity is located.)
- 78 4) For the purposes of the exemption provided by A.R.S. § 42-5061(A)(14), a
79 Department certificate documenting the delivery of the motor vehicle to an out-of-
80 state location.

81
82 A.R.S. § 42-5009, subsection (K) provides that a motor vehicle dealer's compliance with
83 subsection (I) of this statute will also entitle the dealer to the city privilege tax exemption
84 provided by A.R.S. § 42-6004(A)(4).
85

ARIZONA TRANSACTION PRIVILEGE TAX PROCEDURE

TPP 08-XX

Page 3

86 A.R.S. § 42-6004 *Exemption from municipal tax*, paragraph (A)(4), provides an
87 exemption from city privilege tax and city use tax for income derived from “[s]ales of
88 motor vehicles to nonresidents of this state for use outside this state if the vendor ships
89 or delivers the motor vehicle to a destination outside this state.”

90

91 A.R.S. § 42-5009(J) authorizes the Department to require the nonresident purchaser of
92 a motor vehicle to establish the accuracy and completeness of the information provided
93 in the certificate prescribed by A.R.S. § 42-5009(I). If the purchaser cannot prove the
94 accuracy and completeness of this information, the purchaser will be liable for an
95 amount equal to the state transaction privilege tax, county excise tax, and city privilege
96 tax that would have applied to the income derived from the original sales transaction,
97 plus penalties and interest.

98

99 A.R.S. § 28-2154 *Special registrations*, provides that a nonresident who purchases an
100 unregistered vehicle in this state for removal to the state of residence of the purchaser
101 shall obtain a special ninety day nonresident registration permit for the vehicle. This
102 special registration may be obtained by application to a motor vehicle dealer, the
103 payment of fees, and the completion of a nonresident affidavit. If a nonresident
104 purchaser has completed an Arizona Department of Revenue certificate prescribed by
105 A.R.S. § 42-5009(I) which is required for exemption from tax, this certificate will
106 substitute for the nonresident affidavit required by A.R.S. § 28-2154.

107

108 A.R.S. § 28-2154(C) provides that an enrolled member of an Indian Tribe who resides
109 on the Indian reservation established for that tribe and who purchases an unregistered
110 vehicle in Arizona for removal to the Indian reservation, shall also obtain a special
111 ninety day nonresident registration permit for the vehicle. The motor vehicle dealer is
112 not required to obtain a nonresident affidavit or a certificate prescribed by A.R.S. § 42-
113 5009(I) before issuing the nonresident registration permit if the enrolled tribal member
114 resides on an Indian reservation located within Arizona.

115

116 A.R.S. § 28-2154.01(H) states that if a motor vehicle purchaser registers the vehicle in
117 Arizona within 365 days after the issuance of the special ninety day nonresident
118 registration permit, the purchaser is liable in an amount equal to any tax, penalty and
119 interest that the motor vehicle dealer would have been required to pay under title 42,
120 chapter 5 and under articles IV and VI of the Model City Tax Code. At the time of
121 issuing the special ninety day nonresident registration permit, a motor vehicle dealer or
122 authorized third party shall inform the purchaser in writing of the purchaser’s liability.

123

124 The *Servicemembers Civil Relief Act of 2003*¹ allows a nonresident member of the
125 Army, Navy, Air Force, Marine Corps, Coast Guard or other commissioned corps who is
126 stationed at a military facility in Arizona to retain his nonresident status for tax purposes

¹ Public Law 108-189, 50 United States Code App. §§ 501-596; which updated the *Soldiers and Sailors Civil Relief Act of 1940*.

ARIZONA TRANSACTION PRIVILEGE TAX PROCEDURE

TPP 08-XX

Page 4

127 in regard to any personal property brought into Arizona. 50 U.S.C. App. § 571
128 *Residence for tax purposes*, states in pertinent part:

129
130 (a) RESIDENCE OR DOMICILE. - A servicemember shall neither lose nor acquire a
131 residence or domicile for purposes of taxation with respect to the person, personal
132 property, or income of the servicemember by reason of being absent or present in any
133 tax jurisdiction of the United States solely in compliance with military orders.

134 ...

135 (f)(2) TAXATION. – The term “taxation” includes licenses, fees, or excises imposed with
136 respect to motor vehicles and their use, if the license, fee, or excise is paid by the
137 servicemember in the servicemember’s State of domicile or residence.

138 (Emphasis added)

139
140 A.R.S. § 42-1125 provides civil penalties with regard to the intent to evade tax and
141 prescribes penalties.

142
143 A.R.S. § 42-1127 describes criminal violations with regard to false or fraudulent
144 documents.

145 146 **INTRODUCTION:**

147
148 This procedure describes the statutory deductions under the retail classification that
149 may apply to the sale of a motor vehicle to a nonresident of Arizona or a Native
150 American, and provides specific guidance about the proper documentation that will
151 substantiate the seller’s entitlement to the deduction. The following categories of motor
152 vehicle sales are addressed in this procedure:

- 153 1. Sales to nonresidents from other U.S. States that do not provide reciprocity.
- 154 2. Sales to nonresidents from other U.S. States that do provide reciprocity and either
155 have a lower state tax rate than Arizona’s 5.6% transaction privilege tax rate or do
156 not impose a tax on the purchase of a motor vehicle.
- 157 3. Sales to nonresidents from other U.S. States that do provide reciprocity, but have
158 a state tax rate that is higher than Arizona’s 5.6% transaction privilege tax.
- 159 4. Sales to nonresidents from other countries.
- 160 5. Sales to nonresident entities.
- 161 6. Sales to nonresident military personnel stationed in Arizona.
- 162 7. Sales to nonresidents for use outside of Arizona when the seller delivers the
163 vehicle to an out-of-state location.
- 164 8. Sales at auction to nonresidents for use outside of Arizona if the vehicle is
165 shipped or delivered outside this state.

ARIZONA TRANSACTION PRIVILEGE TAX PROCEDURE

TPP 08-XX

Page 5

166 9. Sales to Native Americans residing on a reservation located within Arizona
167 established for the Native American's tribe.

168 10. Taxable sales to nonresidents.

169 **State transaction privilege tax; county excise tax:**

170 Arizona's transaction privilege tax differs from the sales tax imposed by most states. It
171 is a tax on the privilege of conducting business in the State of Arizona and is imposed
172 on the seller's gross proceeds of sales or gross income derived from the business. The
173 seller may pass the economic burden of the tax on to the purchaser, but the seller is
174 ultimately liable to Arizona for the transaction privilege tax. The transaction privilege tax
175 is imposed under sixteen separate business classifications. The retail classification
176 imposes the transaction privilege tax on income derived from sales of tangible personal
177 property at retail. Additionally, county excise taxes "piggyback" the imposition of the
178 state's transaction privilege tax. All sales that are subject to the transaction privilege tax
179 are also subject to applicable county excise taxes.

180

181 **City privilege tax:**

182 The imposition of city privilege taxes is separate and distinct from the imposition of the
183 state's transaction privilege tax. The League of Arizona Cities and Towns created the
184 *Model City Tax Code* (MCTC) for the imposition and administration of city privilege
185 taxes and city use taxes. All Arizona cities utilize the MCTC in the imposition of
186 their city privilege taxes and city use taxes. A.R.S. § 42-6004(A)(4) and MCTC § 460(L)
187 jointly provide an exemption from city privilege tax for income derived from "sales of
188 motor vehicles to nonresidents of this state for use outside this state if the vendor ships
189 or delivers the motor vehicle to a destination outside this state." For all other sales of
190 motor vehicles to nonresidents when the nonresident takes possession of the vehicle in
191 Arizona, there is no exemption from city privilege tax.

192

193 **Reciprocity.²**

194 Like most other states, Arizona imposes a state use tax³ on the purchaser of a motor
195 vehicle that is bought in another state and then registered in Arizona. Also, like many
196 other states, Arizona use tax provisions allow a "credit" for the amount of state tax that
197 was paid to the retailer in the state of purchase. This credit is applied against the
198 purchaser's Arizona use tax liability. By this means, the total amount of state tax that is
199 paid by the Arizona purchaser will at least equal the 5.6%⁴ Arizona transaction privilege

² This term is relevant for several of the exemptions from tax discussed in this procedure (See Categories 1, 2, and 3).

³ The Arizona use tax was enacted to protect Arizona vendors that are subject to the state's transaction privilege tax from unfair competition with vendors in states that either have lower tax rates than Arizona or do not impose an excise tax. As of 2008, both the Arizona transaction privilege tax and the Arizona use tax are imposed at the rate of 5.6%.

⁴ Or the Arizona transaction privilege tax and use tax rate currently in effect, if that rate has changed.

ARIZONA TRANSACTION PRIVILEGE TAX PROCEDURE

TPP 08-XX

Page 6

200 tax rate, thereby protecting Arizona vendors. Other states that 1) have similar taxes
201 and 2) provide credit for the amount of state tax their residents pay to out-of-state
202 retailers are considered to provide “**reciprocity**” with states that have similar credit
203 provisions. Providing reciprocity does not mean that there is a transfer of taxes
204 between states. Additionally, whether a nonresident’s state provides reciprocity is only
205 pertinent to the **state** transaction privilege tax exemptions discussed below; this issue
206 has no relevance to the exemption from **city** privilege tax addressed in Category 7.

207 ***Department Certificates:***

208 A.R.S. § 42-5009 authorizes the Department to prescribe forms for certificates used to
209 document information to establish entitlement to deductions from the tax base.
210 Pursuant to A.R.S. § 42-5009, subsections (C) and (I), the Department has prescribed
211 the following certificates to be used to document the deductions provided by A.R.S.
212 § 42-5061, paragraphs (A)(14); (A)(28)(a); (A)(28)(b); (A)(45); and subsection (U):

213 Form 5011 Certificate to Establish Residency in Another U.S. State Pursuant to A.R.S. § 42-5009(I)

214 Form 5012 Certificate to Establish Residency in a Foreign Country Pursuant to A.R.S. § 42-5009(I)

215 Form 5013 Certificate to Establish Native American Status and Residence on Arizona Reservation

216 Form 5010 Certificate to Establish Out-of-State Delivery of Motor Vehicle to Nonresident

217
218 The appropriate use of Form 5010 in conjunction with Form 5011 or Form 5012, will
219 entitle a motor vehicle dealer to the city privilege tax exemption provided by
220 A.R.S. § 42-6004(A)(4).

221
222 If a motor vehicle seller seeks to establish entitlement to an exemption or deduction
223 through the use of a certificate that is not prescribed by the Department or other
224 documentation that is not addressed by this procedure, the burden of proof will remain
225 with the motor vehicle seller as to the validity of the claimed deduction or exemption.

226

227 **Consequences with Regard to False or Inaccurate Certificates**

228 Substantial penalties and other statutory provisions govern the inappropriate or
229 fraudulent use of Forms 5010, 5011, 5012, or 5013, and may apply to the motor vehicle
230 seller and/or the purchaser. If the motor vehicle seller has complied with all statutory
231 provisions, the requirements of Arizona Transaction Privilege Tax Procedure TPP 00-3
232 and this procedure, A.R.S. § 42-5009 provides that the seller is relieved of liability and
233 the purchaser can be held liable for an amount equal to any tax, penalty and interest
234 that the motor vehicle dealer would have been required to pay. A.R.S. § 42-1125
235 imposes civil penalties that may apply to the motor vehicle dealer under certain
236 circumstances. A.R.S. § 42-1127 describes criminal violations that may apply with
237 regard to false or fraudulent documents.

238

239 A.R.S. § 42-5009 authorizes the Department to prescribe a certificate to be used to
240 document a motor vehicle seller’s out-of-state delivery of a motor vehicle to a
241 nonresident purchaser, one of the criteria for exemption under paragraphs

ARIZONA TRANSACTION PRIVILEGE TAX PROCEDURE

TPP 08-XX

Page 7

242 A.R.S. §§ 42-5061(A)(14) and 42-6004(A)(4). The Department has prescribed Arizona
243 Form 5010 for this purpose. To monitor the appropriate use of this certificate and the
244 applicability of the state and city tax exemptions, the Department requests that motor
245 vehicle sellers submit copies of Form 5010 certificates⁵ utilized in out-of-state deliveries
246 to the *Nonresident Car Program* of the Transaction Privilege Tax Audit Division on a
247 quarterly basis. Arizona Form 5010Q should be used to summarize the Arizona
248 Form 5010 certificates submitted to the Department on a quarterly basis.

249
250 These certificates will be treated as confidential information supplied to the Department
251 of Revenue, and will not be disclosed to other motor vehicle sellers. Submitting copies
252 of these certificates to the Department does not relieve the motor vehicle dealer of
253 compliance with all other provisions of A.R.S. § 42-5009 and this procedure. The motor
254 vehicle dealer is required to maintain the original certificates on file as part of the
255 dealer's records plus any additional documentation that supports the deduction from
256 tax.

257
258 For sales to nonresidents of Arizona in which the sale is exempt from transaction
259 privilege tax (or partially exempt pursuant to A.R.S. § 42-5061(U) discussed in Category
260 2 below), all persons listed as buyers on the sales invoice, or in whose names the
261 vehicle will be titled, must separately qualify as nonresidents of Arizona by providing the
262 proper documentation and completing the appropriate certificate.

263
264 The exemptions discussed in this procedure apply only to retail sales of motor vehicles
265 to nonresidents and Native Americans. These exemptions do not apply to rentals or
266 leases of motor vehicles.

267
268

DISCUSSION AND PROCEDURE:

269
270
271 **1. Sales to Nonresidents from other U.S. States that do not provide reciprocity.**

272
273 A.R.S. § 42-5061(A)(28)(a) provides a deduction from the tax base of the retail
274 classification for income derived from “[t]he sale of a motor vehicle to ... a nonresident
275 of this state if the purchaser's state of residence does not allow a corresponding use tax
276 exemption to the tax imposed by article 1 of this chapter and if the nonresident has
277 secured a special ninety day nonresident registration permit for the vehicle as
278 prescribed by sections 28-2154 and 28-2154.01.”

279
280 This deduction applies to the Arizona sale of a motor vehicle to a nonresident who
281 resides in a state that does not provide “reciprocity” (discussed above). The
282 Department's website provides a listing of the states that do not provide reciprocity at
283 www.azdor.gov/TpT/Motorvehiclesale/SCHEDULES%209-01-2006.pdf
284

⁵ The related Form 5011 (or 5012) certificate should be attached to each submitted Form 5010.

ARIZONA TRANSACTION PRIVILEGE TAX PROCEDURE

TPP 08-XX

Page 8

285 Sales to nonresidents from the listed nonreciprocal states are exempt from Arizona
286 state transaction privilege tax and associated county tax(es) that apply to the sale of a
287 motor vehicle in Arizona, but are not exempt from the imposition of city privilege taxes.
288 To qualify for this exemption from state transaction privilege tax and county excise tax,
289 the motor vehicle seller must retain:

- 290
- 291 1) A Form 5011 completed by each purchaser. (The seller must provide the
292 Section 1 information.) This form must be obtained prior to the issuance of
293 a nonresident registration permit.
294
 - 295 2) A copy of the special ninety-day nonresident registration permit issued
296 pursuant to A.R.S. §§ 28-2154 and 28-2154.01. At the time of issuing a
297 nonresident registration permit, the seller shall inform the purchaser in
298 writing of the purchaser's liability if the motor vehicle is registered in
299 Arizona within 365 days.
300
 - 301 3) A legible copy of a current valid driver's license issued to each purchaser
302 by another U.S. State, indicating an address outside of Arizona.
303

304 If the nonresident purchaser registers the vehicle in Arizona within 365 days after the
305 issuance of the special ninety-day nonresident registration permit, the purchaser is
306 liable for an amount equal to the state transaction privilege tax and county excise tax
307 that the seller would have been required to pay on a taxable sale, plus applicable
308 penalties and interest computed from the date of sale.
309

310 **2. Sales to nonresidents from other U.S. States that do provide reciprocity and either**
311 **have a lower state tax rate than Arizona's 5.6% transaction privilege tax rate or do**
312 **not impose a tax on the purchase of a motor vehicle.**

313

314 A.R.S. § 42-5061(U) provides a deduction from the tax base of a retailer for income
315 derived from the sale of a motor vehicle to a resident of a U.S. State that provides
316 reciprocity (discussed above), when that state either has a lower state tax rate than
317 Arizona's 5.6% transaction privilege tax rate or does not impose an excise tax on the
318 purchase of a motor vehicle. The Department's website provides a listing of these
319 states and their respective tax rates at
320 www.azdor.gov/TpT/Motorvehiclesale/SCHEDULES%209-01-2006.pdf
321

322 For residents from these states, the deduction provided by A.R.S. § 42-5061(U) causes
323 the amount of Arizona state transaction privilege tax that is paid on the motor vehicle
324 sale to be equal to the state tax amount that would apply in the nonresident's state to a

ARIZONA TRANSACTION PRIVILEGE TAX PROCEDURE

TPP 08-XX

Page 9

325 nonexempt sale⁶ of a vehicle. Because the nonresident's state will provide a credit for
326 the amount of Arizona transaction privilege tax paid, there should not be a state tax
327 liability in the nonresident's state when the motor vehicle is registered for use in that
328 state. However, the nonresident may be liable for local or jurisdictional taxes or fees
329 that may apply upon the registration of the vehicle in the state of residence.

330
331 The deduction provided by A.R.S. § 42-5061(U) reduces the tax base of the retailer for
332 the sale to a nonresident. The amount of Arizona transaction privilege tax that applies
333 after the computation of the deduction will be equal to the amount of state tax that would
334 apply in the nonresident's state. The Arizona county excise tax that "piggybacks" the
335 imposition of the state transaction privilege tax will then apply to the reduced tax base
336 and will be proportionately reduced.

337
338 To assist motor vehicle sellers in the tax computation process for sales to nonresidents
339 under A.R.S. § 42-5061(U), the Department's website provides worksheets (at
340 **www.azdor.gov/TpT/Motorvehiclesale/mvtaxrate.htm**) that will compute the amounts
341 of Arizona transaction privilege tax and county excise tax that apply. Then worksheets
342 will also compute the amount of the deduction that is taken on the *Transaction Privilege,*
343 *Use, and Severance Tax Return* (Form TPT-1) for each sale. A motor vehicle seller
344 should review the computations and disclaimers regarding the use of the worksheets.

345
346 The state transaction privilege tax deduction provided by A.R.S. § 42-5061(U) has no
347 effect on city privilege tax that may apply to the gross income derived from the sale.
348 City privilege tax will apply in full to the net sales price of the motor vehicle pursuant to
349 Model City Tax Code provisions.

350
351 To qualify for this exemption from state transaction privilege tax and county excise tax,
352 the motor vehicle seller must retain:

- 353
- 354 1) A Form 5011 completed by each purchaser. (The seller must provide the
355 Section 1 information.) This form must be obtained prior to the issuance of
356 a nonresident registration permit.
 - 357
358 2) A copy of the special ninety-day nonresident registration permit issued
359 pursuant to A.R.S. §§ 28-2154 and 28-2154.01. At the time of issuing a
360 nonresident registration permit, the seller shall inform the purchaser in
361 writing of the purchaser's liability if the motor vehicle is registered in
362 Arizona within 365 days.
- 363

⁶ Exemptions from tax that may be available to a nonresident purchaser in his or her state of residence are not applicable in Arizona. For example, while a nonresident's state may provide a tax exemption for the sale of a motor vehicle to an astronaut, this exemption is not found in Arizona transaction privilege tax statutes. For the sale of a motor vehicle under A.R.S. § 42-5061(U), the Arizona motor vehicle seller is not collecting the tax of another state, and the Arizona Department of Revenue does not transmit this tax to another state.

ARIZONA TRANSACTION PRIVILEGE TAX PROCEDURE

TPP 08-XX

Page 10

- 364 3) A legible copy of a current valid driver's license issued to each purchaser
365 by another U.S. State, indicating an address outside of Arizona.
366
367 4) A copy of the worksheet used to determine the reduced tax amount.
368

369 If the nonresident purchaser registers the vehicle in Arizona within 365 days after the
370 issuance of the special ninety-day nonresident registration permit, the purchaser is
371 liable for an amount equal to the state transaction privilege tax and county excise tax
372 that the seller would have been required to pay on a taxable sale, plus applicable
373 penalties and interest computed from the date of sale. (Credit is allowed for any tax that
374 was paid at the time of sale.)
375

376 **3. Sales to nonresidents from other U.S. States that do provide reciprocity but have a**
377 **state tax rate that is higher than Arizona's 5.6% transaction privilege tax rate.**

378
379 A.R.S. § 42-5061(U) does not apply to the sale of a motor vehicle to a resident from a
380 reciprocal state that has a higher state tax rate than Arizona's 5.6% transaction privilege
381 tax rate. Therefore, when a nonresident from one of these states purchases and takes
382 delivery of a motor vehicle in Arizona, there is no exemption from transaction privilege
383 tax. However, because the nonresident's reciprocal state will provide a credit against its
384 excise tax for the amount of state transaction privilege tax that was paid to the Arizona
385 motor vehicle dealer, only the balance of tax will be owed to the nonresident's state. A
386 listing of the reciprocal states that have higher tax rates than Arizona's 5.6% transaction
387 privilege tax rate is provided at
388 **www.azdor.gov/TpT/Motorvehiclesale/SCHEDULES%209-01-2006.pdf**
389

390 **4. Sales to nonresidents from other countries.**

391 The provisions of A.R.S. §§ 42-5061(A)(28)(a) and 42-5061(U) apply only to
392 nonresidents from other U.S. states, and do not apply to nonresidents from other
393 countries such as Canada or Mexico. However, the deductions discussed in categories
394 **8** and **9** below may apply to sales to nonresidents from other countries. In addition to
395 the required documentation detailed in these categories, a copy of a valid passport (or
396 Mexican Border Crossing Card or Canadian Nexus Card) issued by the nonresident's
397 country of origin should be retained by the motor vehicle seller.
398

399 **5. Sales to nonresident entities.**

400 Sales to a bona fide nonresident entity (e.g., corporation, partnership) may qualify for
401 exemption from transaction privilege tax under categories **1**, **2**, **7**, and **8** of this
402 procedure. The entity's representative (i.e. corporate officer, partner, L.L.C. member)
403 must be a nonresident of Arizona and possess a driver's license from the same
404 jurisdiction as that in which the nonresident entity is located, and must complete a Form
405 5011 or Form 5012. Payment for the motor vehicle must be made by the nonresident

ARIZONA TRANSACTION PRIVILEGE TAX PROCEDURE

TPP 08-XX

Page 11

406 entity in the form of a business check or credit card issued in its name, or financing
407 must be done in the name of the nonresident entity.
408

409

6. Sales to nonresident military personnel stationed in Arizona.

410 The Arizona transaction privilege tax statutes do not provide a specific exemption
411 regarding sales of motor vehicles to nonresident military service members stationed at
412 an Arizona facility. However, the *Servicemembers Civil Relief Act* allows a nonresident
413 member of the U.S. armed forces who is stationed at a military facility in Arizona, to
414 retain his nonresident status for tax purposes with regard to any personal property
415 brought into Arizona. Additionally under the Act, a service member may also qualify for
416 exemption from tax as a nonresident when purchasing a motor vehicle in Arizona if the
417 vehicle will be registered in the service member's state of residence or domicile.
418

419

419 Depending on the service member's specific state of residence or domicile in
420 conjunction with the provisions of the *Servicemembers Civil Relief Act*, one of the
421 exemptions (deductions) for sales of motor vehicles to nonresidents discussed in
422 categories **1**, **2**, **7** and **8** of this procedure may apply to the sale of a motor vehicle to a
423 nonresident military person stationed in Arizona, if the motor vehicle is purchased to be
424 registered in the nonresident service member's state of domicile or residence.
425 *However, in addition to the proper documentation required by these categories, a copy*
426 *of the service member's official military orders indicating that the person is currently*
427 *stationed at an Arizona facility must be provided to the seller.*
428

429

429 If the motor vehicle is purchased by a service member and his or her spouse, each
430 person must separately qualify as a nonresident pursuant to the listed requirements in
431 order for an exemption to apply. If the nonresident military service member who
432 purchases a vehicle under a statutory deduction specific to nonresidents registers the
433 vehicle in Arizona within 365 days after the issuance of the special ninety-day
434 nonresident registration permit, the service member is liable for an amount equal to the
435 state transaction privilege tax, county excise tax and city privilege tax that the seller
436 would have been required to pay on a taxable sale, plus applicable penalties and
437 interest computed from the date of sale.
438

439

7. Sales to nonresidents for use outside of Arizona when the seller delivers the vehicle to an out-of-state location.

440

441

442 A.R.S. § 42-5061(A)(14) provides a deduction from the tax base for income derived
443 from "[s]ales to nonresidents of this state for use outside this state if the vendor ships or
444 delivers the tangible personal property out of this state." This deduction may apply to
445 the sale of a motor vehicle to a nonresident from another U.S. State or from a foreign
446 country if the seller obtains proper documentation from the nonresident, and the seller
447 maintains documentation of the delivery of the vehicle to an out of state location.
448

448

ARIZONA TRANSACTION PRIVILEGE TAX PROCEDURE

TPP 08-XX

Page 12

449 Virtually identical to the state transaction privilege tax exemption,
450 A.R.S. § 42-6004(A)(4) and MCTC § 460(L) jointly provide an exemption from city
451 privilege tax for income derived from “sales of motor vehicles to nonresidents of this
452 state for use outside this state if the vendor ships or delivers the motor vehicle to a
453 destination outside this state.” A.R.S. § 42-5009(K) provides that a motor vehicle
454 dealer’s compliance with state documentation requirements with regard to the
455 transaction privilege tax deduction provided by A.R.S. § 42-5061(A)(14) will entitle the
456 dealer to the city privilege tax exemption provided by A.R.S. § 42-6004(A)(4).

457

458 To qualify for the state transaction privilege tax and city privilege tax exemptions, the
459 motor vehicle seller must retain:

460 1) A Form 5011 or Form 5012 completed by each purchaser. (The seller must
461 provide the Section 1 information.) This form must be obtained prior to the
462 issuance of a nonresident registration permit.

463 2) A copy of the special ninety-day nonresident registration permit issued
464 pursuant to A.R.S. §§ 28-2154 and 28-2154.01. At the time of issuing a
465 nonresident registration permit, the seller shall inform the purchaser in writing
466 of the purchaser’s liability if the motor vehicle is registered in Arizona within
467 365 days.

468 3) A legible copy of a current valid driver’s license issued to each purchaser by
469 another U.S. State, indicating an address outside of Arizona.

470 4) A properly completed Form 5010, notarized at the point of delivery of the
471 motor vehicle.

472

473 If the nonresident purchaser registers the vehicle in Arizona within 365 days after the
474 issuance of the special ninety-day nonresident registration permit, the purchaser is
475 liable for an amount equal to the state transaction privilege tax, county excise tax and
476 city privilege tax that the seller would have been required to pay on a taxable sale, plus
477 applicable penalties and interest computed from the date of sale.

478

479 **8. Sales at auction to nonresidents for use outside of Arizona if the vehicle is shipped**
480 **or delivered outside this state.**

481

482 A.R.S. § 42-5061(A)(45) provides a deduction from the tax base for income derived
483 from “[s]ales of motor vehicles at auction to nonresidents of this state for use outside
484 this state if the vehicles are shipped or delivered out of this state, regardless of where
485 title to the motor vehicles passes or its free on board point.” This deduction may apply
486 to the sale of a motor vehicle to a nonresident from any U.S. State or from a foreign
487 country if the seller obtains proper documentation from the nonresident, and the seller
488 maintains documentation of the delivery or shipment of the vehicle to an out-of-state
489 location.

490

ARIZONA TRANSACTION PRIVILEGE TAX PROCEDURE

TPP 08-XX

Page 13

491 The state transaction privilege tax deduction provided by A.R.S. § 42-5061(A)(45) has
492 no effect on city privilege tax that may apply to the gross income derived from the sale.
493 City privilege tax will apply in full to the net sales price of the motor vehicle pursuant to
494 Model City Tax Code provisions.

495
496 To qualify for this exemption from state transaction privilege tax and county excise tax,
497 the motor vehicle seller must retain:

- 498
- 499 1) A Form 5011 or Form 5012 completed by each purchaser. (The seller must
500 provide the Section 1 information.) This form must be obtained prior to the
501 issuance of a nonresident registration permit.
502
 - 503 2) A copy of the special ninety-day nonresident registration permit issued
504 pursuant to A.R.S. §§ 28-2154 and 28-2154.01. At the time of issuing a
505 nonresident registration permit, the seller shall inform the purchaser in writing
506 of the purchaser's liability if the motor vehicle is registered in Arizona within
507 365 days.
508
 - 509 3) A legible copy of a current valid driver's license issued to each purchaser by
510 another U.S. State, indicating an address outside of Arizona.
511
 - 512 4) Documentation attesting to the delivery or shipment of the vehicle to an out of
513 state location.
514

515 If the nonresident purchaser registers the vehicle in Arizona within 365 days after the
516 issuance of the special ninety-day nonresident registration permit, the purchaser is
517 liable for an amount equal to the state transaction privilege tax and county excise tax
518 that the seller would have been required to pay on a taxable sale, plus applicable
519 penalties and interest computed from the date of sale.
520

521 9. Sales to Native Americans residing on a reservation located within Arizona 522 established for the Native American's tribe.
--

523
524 A.R.S. § 42-5061(A)(28)(b) provides a specific deduction from the tax base for income
525 derived from "[t]he sale of a motor vehicle to ... [a]n enrolled member of an Indian tribe
526 who resides on the Indian reservation established for that tribe." This exemption is only
527 applicable to Native Americans residing on reservations within the borders of Arizona.
528 A Native American who does not reside on the reservation established for his or her
529 tribe is ineligible for this exemption. (Native Americans who reside on reservations in
530 other states may qualify for exemption from the transaction privilege tax as a
531 nonresident of Arizona under Categories **1**, **2**, **7**, and **8** of this procedure.)
532

533 A.R.S. § 28-2154(C) provides in pertinent part that "[a]n enrolled member of an Indian
534 tribe who resides on the Indian reservation established for that tribe and who purchases

ARIZONA TRANSACTION PRIVILEGE TAX PROCEDURE

TPP 08-XX

Page 14

535 an unregistered vehicle in this state for removal to the Indian reservation shall obtain a
536 special ninety day nonresident registration permit for the vehicle.”

537
538 The state transaction privilege tax deduction provided by A.R.S. § 42-5061(A)(28)(b)
539 has no effect on city privilege tax that may apply to the gross income derived from the
540 sale. City privilege tax will apply in full to the net sales price of the motor vehicle
541 pursuant to MCTC provisions.

542
543 To qualify for this exemption from state transaction privilege tax and county excise tax,
544 the motor vehicle seller must retain:

- 545
- 546 1) A Form 5013 completed by the Native American purchaser.
 - 547
 - 548 2) A copy of the special ninety-day nonresident registration permit issued
549 pursuant to A.R.S. §§ 28-2154(C) and 28-2154.01, if the vehicle is to be
550 removed to the Indian reservation exclusively. (If the vehicle is intended for
551 registration in Arizona, a temporary general use registration may be issued
552 pursuant to A.R.S. § 28-2156, rather than the special ninety day nonresident
553 registration permit.)
 - 554
 - 555 3) A legible copy of a current valid Arizona driver's license issued to the
556 purchaser, indicating an address on an Indian reservation located within
557 Arizona.
 - 558
 - 559 4) Additional information as needed to substantiate that the Native American is
560 residing on the reservation established for his or her tribe.
 - 561

562 **10. Taxable Sales to Nonresidents and Native Americans.**

563 Sales of motor vehicles to nonresidents or Native Americans that do not qualify
564 pursuant to the above requirements are subject to state transaction privilege tax, county
565 excise tax, and city privilege tax. For the sale of a motor vehicle by a taxable retailer to
566 a nonresident that does not qualify for exemption from transaction privilege tax, the
567 completion of either Arizona Form 5011 or 5012 is unnecessary. For these taxable
568 sales, the motor vehicle seller may issue the special ninety-day nonresident registration
569 permit for the vehicle by having the nonresident purchaser sign the nonresident affidavit
570 prescribed by the Arizona Department of Transportation.

571 Explanatory Notice: The purpose of a tax procedure is to provide procedural guidance to the general public and to Department
572 personnel. A tax procedure is a written statement issued by the Department to assist in the implementation of tax laws,
573 administrative rules, and tax rulings by delineating procedures to be followed in order to achieve compliance with the law.
574 Relevant statute, case law, or administrative rules, as well as a subsequent procedure, may modify or negate any or all of the
575 provisions of any tax procedure. See GTP 96-1 for more detailed information regarding documents issued by the Department of
576 Revenue.

577 **NONRESIDENT CAR PROCEDURE**



ARIZONA DEPARTMENT OF REVENUE
CERTIFICATE TO ESTABLISH OUT-OF-STATE DELIVERY
OF MOTOR VEHICLE TO NONRESIDENT

ARIZONA FORM
5010

FOR PURPOSE OF THE STATUTORY DEDUCTION PROVIDED BY A.R.S. §§ 42-5061(A)(14) AND 42-6004 (A)(4)

NOTICE TO SELLER: A.R.S. § 42-5061 imposes the transaction privilege tax on the retail seller. The delivery of the motor vehicle to an out-of-the state location must be documented. In addition to this certificate (which must be notarized at the out-of-state location of delivery), records of expenses incurred in delivering the motor vehicle must be maintained by the seller.

SELLER INFORMATION:

SELLER'S NAME:	TPT LICENSE #
ADDRESS	PHONE NUMBER ()
CITY STATE ZIP	

VEHICLE INFORMATION:

YEAR / MAKE / MODEL	VIN #:
NET SALES PRICE	ADOT 90 DAY PERMIT #

DELIVERY OF VEHICLE:

DELIVERY ADDRESS	CITY	STATE
NAME OF PERSON DELIVERING VEHICLE	JOB TITLE	PHONE NUMBER: ()

I certify, under penalty of perjury under the laws of the State of Arizona, that I personally delivered the above vehicle to the delivery address indicated above.

SIGNATURE OF PERSON DELIVERING VEHICLE

DATE OF DELIVERY

NOTARY STATEMENT

State of _____

County of _____

On this ____ day of _____, 20____, before me personally appeared

_____, whose identity was proved to me on
(PERSON DELIVERING VEHICLE)
the basis of satisfactory evidence to be the person whose name is
subscribed to this document, and who acknowledged that he/she signed
the above document.

NOTARY SEAL

Notary Signature _____

PURCHASER INFORMATION:

PURCHASER'S NAME (PLEASE PRINT)	DRIVER'S LICENSE #	STATE
ADDRESS		
CITY STATE ZIP		

I certify, under penalty of perjury under the laws of the State of Arizona, that I personally accepted delivery of the above vehicle at the delivery address indicated above.

SIGNATURE OF PURCHASER OR REPRESENTATIVE

DATE OF DELIVERY

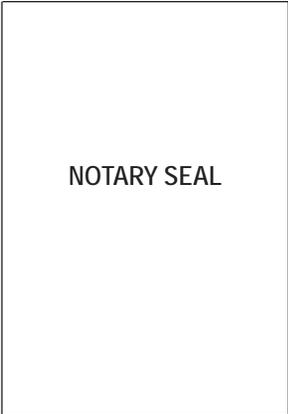
NOTARY STATEMENT

State of _____

County of _____

On this ____ day of _____, 20____, before me personally appeared

_____, whose identity was proved to me on
(PURCHASER OR REPRESENTATIVE)
the basis of satisfactory evidence to be the person whose name is
subscribed to this document, and who acknowledged that he/she signed
the above document.



Notary Signature _____

DRAFT

SELLER: Remit a copy of this form, and all other executed Forms 5010, to the Arizona Department of Revenue on a quarterly basis. Attach the associated Form 5011 or Form 5012 to each Form 5010 submitted. (See TPP 08-XX and Form 5010Q).

Mail to: **NONRESIDENT CAR PROGRAM - TPT AUDIT DIVISION**
ARIZONA DEPARTMENT OF REVENUE
1600 W. MONROE, ROOM 620
PHOENIX, AZ 85007



Arizona Department of Revenue
CERTIFICATE TO ESTABLISH RESIDENCY IN ANOTHER
U.S. STATE PURSUANT TO A.R.S. § 42-5009(I)

ARIZONA FORM
5011

FOR PURPOSE OF A STATUTORY DEDUCTION PROVIDED BY ARS § 42-5061, SUBSECTION (A)(14), (A)(28)(a), (A)(45), OR (U); OR ARS § 42-6004 (A)(4)

SECTION 1 - INFORMATION TO BE SUPPLIED BY SELLER.

SELLER'S NAME AND ADDRESS:				
YEAR:	MAKE:	MODEL	VIN#:	90 DAY PERMIT #:
SALES PRICE:		TRADE IN AMOUNT:	NET PRICE:	TAX PAID:
DRIVER'S LICENSE # of PURCHASER (or Entity Rep.):			STATE OF ISSUANCE:	EXPIRES:

SECTION 2 - TO BE COMPLETED BY PURCHASER (OR ENTITY REPRESENTATIVE)

FULL NAME:	
FULL RESIDENTIAL ADDRESS (NO P.O. BOXES):	
TELEPHONE NUMBER OF RESIDENCE ADDRESS:	SOCIAL SECURITY # (REQUIRED):
AUTO INSURANCE COMPANY:	POLICY NUMBER:
<i>IF PURCHASER IS A NONRESIDENT ENTITY, COMPLETE THE FOLLOWING:</i>	
ENTITY NAME:	FEIN:
FULL BUSINESS ADDRESS:	

QUESTIONS TO BE ANSWERED AND INITIALED BY PURCHASER (OR ENTITY REP.):	True	False	Initial
1. I am physically present in Arizona for at least seven (7) months of the year	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. I am engaged in a trade, profession or occupation in Arizona in other than seasonal agricultural work or temporary seasonal work.	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. I am employed in the State of Arizona.	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. I have children enrolled in a public school in Arizona.	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. I attend an Arizona educational institution and pay resident status tuition rates.....	<input type="checkbox"/>	<input type="checkbox"/>	_____
6. I am an individual, partnership, company, firm, corporation or association that maintains a main office, a branch office or warehouse facilities in this state and that bases and operates motor vehicles in this state.....	<input type="checkbox"/>	<input type="checkbox"/>	_____
7. I am an individual, partnership, company, firm, corporation or association that operates motor vehicles in intrastate transportation, for other than seasonal agricultural work.	<input type="checkbox"/>	<input type="checkbox"/>	_____
8. I have been issued a 90 day nonresident registration permit by someone other than the seller of this vehicle.....	<input type="checkbox"/>	<input type="checkbox"/>	_____
9. I am purchasing this vehicle for transfer to a resident of Arizona.	<input type="checkbox"/>	<input type="checkbox"/>	_____
10. I have a valid drivers license issued by the State of Arizona.	<input type="checkbox"/>	<input type="checkbox"/>	_____
11. I am registered to vote in the State of Arizona	<input type="checkbox"/>	<input type="checkbox"/>	_____
12. I file Resident status income tax returns, or business tax returns in the State of Arizona	<input type="checkbox"/>	<input type="checkbox"/>	_____
13. The insurance policy listed above is issued under the laws of Arizona	<input type="checkbox"/>	<input type="checkbox"/>	_____

SECTION 2 INFORMATION THAT INDICATES AN ARIZONA ADDRESS, OR AN ANSWER OF TRUE TO ANY OF THE ABOVE QUESTIONS, DISQUALIFIES THIS PURCHASER AS A NONRESIDENT OF ARIZONA

AFFIDAVIT OF NONRESIDENCY

AFFIRMATIONS OF PURCHASER:

I will register this vehicle in the state of _____ prior to the expiration of the 90 Day Nonresident Registration Permit, and will not use this vehicle in Arizona after this date for other than purely temporary or transitory purposes.

I will personally be liable for an amount equal to the state, county and city taxes that would have applied to a non-exempt sale, plus penalties and interest computed from the date of sale, if this vehicle is registered in Arizona within 365 days of the date of sale.

I will personally be liable for an amount equal to the state, county and city taxes that would have applied to a non-exempt sale, plus penalties and interest computed from the date of sale, if I have provided false information on this certificate.

I understand that in Arizona, it is a Class 5 Felony to "knowingly prepare, present or aid, procure or advise in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of the taxpayer authorized or required to present the return, affidavit, claim or document". [See A.R.S. § 42-1127(B)(2)]

I understand that I will be subject to criminal penalties if I have either omitted required information or provided false information on this certificate. [See A.R.S. § 42-1127(B)(4)]

I have verified that my driver's license information provided on Page 1 is correct.

Signed by:

Purchaser or Entity Representative

Date

State of Arizona)
)
County of _____)

Subscribed and sworn (or affirmed) before me this ____ day of _____, 20 ____.

(seal)

Notary Public



Arizona Department of Revenue
CERTIFICATE TO ESTABLISH RESIDENCY IN A FOREIGN
COUNTRY PURSUANT TO A.R.S. § 42-5009(I)

ARIZONA FORM
5012

FOR PURPOSE OF A STATUTORY DEDUCTION PROVIDED BY ARS § 42-5061, SUBSECTION (A)(14) OR (A)(45); OR ARS § 42-6004 (A)(4)

SECTION 1 - INFORMATION TO BE SUPPLIED BY SELLER.

SELLER'S NAME AND ADDRESS:				
YEAR:	MAKE:	MODEL	VIN#:	90 DAY PERMIT #:
SALES PRICE:		TRADE IN AMOUNT:	NET PRICE:	TAX PAID:
DRIVER'S LICENSE # of PURCHASER (or Entity Rep.):			COUNTRY OF ISSUANCE:	EXPIRES:
PASSPORT # or OTHER GOVT. ISSUED ID:			COUNTRY OF ISSUANCE:	EXPIRES:

SECTION 2 - TO BE COMPLETED BY PURCHASER (OR ENTITY REPRESENTATIVE)

FULL NAME:	
FULL RESIDENTIAL ADDRESS (NO P.O. BOXES):	
COUNTRY:	TELEPHONE NUMBER OF RESIDENCE ADDRESS:
AUTO INSURANCE COMPANY:	POLICY NUMBER:
<i>IF PURCHASER IS A FOREIGN NONRESIDENT ENTITY, COMPLETE THE FOLLOWING:</i>	
ENTITY NAME:	TAX ID #:
FULL BUSINESS ADDRESS:	

QUESTIONS TO BE ANSWERED AND INITIALED BY PURCHASER (OR ENTITY REP.):	True	False	Initial
1. I am a resident of a state in the United States.	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. I do not have a valid passport issued by the Country in which I reside.	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. I am engaged in a trade, profession or occupation in Arizona in other than agricultural work or temporary seasonal work.	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. I am employed in the State of Arizona.	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. I have children enrolled in a public school in Arizona.	<input type="checkbox"/>	<input type="checkbox"/>	_____
6. I attend an Arizona educational institution and pay resident status tuition rates.	<input type="checkbox"/>	<input type="checkbox"/>	_____
7. I am an individual, partnership, company, firm, corporation or association that maintains a main office, a branch office or warehouse facilities in this state and that bases and operates motor vehicle in this state.	<input type="checkbox"/>	<input type="checkbox"/>	_____
8. I am an individual, partnership, company, firm, corporation or association that operates motor vehicle in intrastate transportation, for other than seasonal agricultural work.	<input type="checkbox"/>	<input type="checkbox"/>	_____
9. I have been issued a 90 day nonresident registration permit by someone other than the seller of this vehicle.	<input type="checkbox"/>	<input type="checkbox"/>	_____
10. I am purchasing this vehicle for transfer to a resident of Arizona.	<input type="checkbox"/>	<input type="checkbox"/>	_____
11. I have a valid drivers license issued by a state in the United States.	<input type="checkbox"/>	<input type="checkbox"/>	_____
12. I am registered to vote in the State of Arizona.	<input type="checkbox"/>	<input type="checkbox"/>	_____
13. I file Resident status income tax returns, or business tax returns in the State of Arizona.	<input type="checkbox"/>	<input type="checkbox"/>	_____
14. The insurance policy listed above is issued under the laws of Arizona.	<input type="checkbox"/>	<input type="checkbox"/>	_____

SECTION 2 INFORMATION THAT INDICATES AN ARIZONA ADDRESS, OR AN ANSWER OF TRUE TO ANY OF THE ABOVE QUESTIONS, DISQUALIFIES THIS PURCHASER AS A NONRESIDENT OF ARIZONA

AFFIDAVIT OF NONRESIDENCY IN FOREIGN COUNTRY

AFFIRMATIONS OF PURCHASER:

I will not register this vehicle in Arizona and will not use this vehicle in Arizona after this date for other than purely temporary or transitory purposes .

I will personally be liable for an amount equal to the state, county and city taxes that would have applied to a non-exempt sale, plus penalties and interest computed from the date of sale, if this vehicle is registered in Arizona within 365 days of the date of sale.

I will personally be liable for an amount equal to the state, county and city taxes that would have applied to a non-exempt sale, plus penalties and interest computed from the date of sale, if I have provided false information on this certificate.

I understand that in Arizona, it is a Class 5 Felony to "knowingly prepare, present or aid, procure or advise in preparing or presenting any return, affidavit, claim or other document which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of the taxpayer authorized or required to present the return, affidavit, claim or document". [See A.R.S. § 42-1127(B)(2)]

I understand that I will be subject to criminal penalties if I have either omitted required information or provided false information on this certificate. [See A.R.S. § 42-1127(B)(4)]

I have verified that the driver's license and passport information provided on Page 1 is correct.

Signed by:

Purchaser or Entity Representative

Date

State of Arizona)
)
County of _____)

Subscribed and sworn (or affirmed) before me this ____ day of _____, 20 ____.

(seal) _____
Notary Public



Arizona Department of Revenue
CERTIFICATE TO ESTABLISH NATIVE AMERICAN STATUS
AND RESIDENCE ON ARIZONA RESERVATION

ARIZONA FORM
5013

FOR PURPOSE OF THE STATUTORY DEDUCTION PROVIDED BY ARS § 42-5061(A)(28)(b)

SALE OF MOTOR VEHICLE TO NATIVE AMERICAN RESIDING ON RESERVATION:

Arizona Revised Statutes § 42-5061(A)(28)(b) provides an exemption from state transaction privilege tax for income derived from the sale of a motor vehicle to “[a]n enrolled member of an Indian tribe who resides on the Indian reservation established for that tribe.”

This exemption does not apply to city privilege tax.

NATIVE AMERICAN PURCHASER:

ENROLLED MEMBER NAME:	DRIVER'S LICENSE NUMBER:
ADDRESS ON RESERVATION (FROM DRIVERS LICENSE):	TRIBAL ID CARD NUMBER:
CITY STATE ZIP	NAME OF TRIBE:

CO - PURCHASER:

ENROLLED MEMBER NAME:	DRIVER'S LICENSE NUMBER:
ADDRESS ON RESERVATION (FROM DRIVERS LICENSE):	TRIBAL ID CARD NUMBER:
CITY STATE ZIP	NAME OF TRIBE:

A seller that has reason to believe that the certificate is not accurate, complete or applicable to the transaction, may not accept the certificate in good faith and the seller will not be relieved of the burden of proving entitlement to the exemption. A seller that accepts a certificate in good faith will be relieved of the burden of proof and the purchaser may be required to establish the accuracy of the claimed exemption. If the purchaser cannot establish the accuracy and completeness of the information provided in the certificate, the purchaser is liable for an amount equal to the transaction privilege tax, penalty and interest which the seller would have been required to pay if the seller had not accepted the certificate. Misuse of this Certificate will subject the purchaser to payment of the ARS § 42-5009 amount equal to any tax, penalty or interest. Willful misuse of this Certificate will subject the purchaser to criminal penalties of a felony pursuant to ARS § 42-1127.B.2.

Certification

I, (print full name) _____, hereby certify that I am a Native American and that I reside on the reservation established for my tribe, and that the information on this certificate is true, accurate and complete.

Signature of purchaser _____ Date _____

Signature of co-purchaser _____ Date _____

Exact reproductions and photocopies of this exemption certificate are acceptable for use.